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HARVARD

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INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST FOUR MONTHS OF 1985

Product	April 1985	Jan-April 1985	% Jan.--April 1984 over Jan.-April '85
Electricity (bil.kw.hrs)	125	545	103
Petroleum (inc. gas condensate) (mil.tons)	49.0	196	95
Natural Gas (bil.cu.mtrs)	52.5	212	109
Coal(mil.tons)	60.6	245	99.6
Steel (mil.tons)	13.1	49.4	95
Fertilizer (mil.tons)	2.8	10.5	101
Metal-cutting tools (mil. rubles)	218	839	106
Robots (1000s)	1.1	4.3	105
Computer Technology (bil. rubles)	0.3	1.3	110
Tractors (mils.)	4.5	17.7	104
Paper (mil. tons)	0.5	1.9	98
Cement (mil. tons)	11.0	40.9	96
Meat(mil. tons)	0.7	3.3	106
Margerine (1000 tons)	126	513	95
Watches(mils.)	5.8	22.1	98
Radios(mils.)	0.7	2.8	91
Television sets (mils.)	0.8	3.0	102
Automobiles (1000s)	114	444	99.4

INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST FOUR MONTHS OF 1985

Gorbachev's discipline seems to lack the magic that Andropov's discipline had. While production statistics for April 1985 are somewhat better than the comparable figures for March 1985, there has not been the turnaround in production that Andropov managed to produce when he took control in November 1982. Thus, in the earlier years, Andropov had managed to show positive increases in production in most of the industrial sectors as early as January and February 1983. While conditions had improved somewhat in several of the industries in April 1985, as a look at the accompanying table indicates, 1985 production in many industries is still below what it was in April 1984, and in many instances for the whole first four months of 1984. Yet it is important to acknowledge that the discipline has had some impact. In most industries, if nothing else, the drop in production is somewhat less than it had been during the first three months of 1985. As a whole for example, oil production in April 1985 was down 4% compared to the same month a year earlier, but the drop was not quite as large in absolute terms as it had been in February of this year. Similarly, gas production rose by 10% as opposed to 9% for the whole four month period. Production of what the Russians describe as robotics is up for the whole 4 months of 1985 whereas it had been down in the report last month for the

first three month period.

Equally encouraging is the fact that steel production was up 3% in the month, despite the fact that for the whole 4 month period it is down 5%. Similarly, coal production was virtually the same as it had been in April 1984. Finally, automobile production for the month of April was up slightly over what it was last year at this time.

In sum there has been some improvement, but he has not produced the same dramatic improvement that his mentor Andropov did.

SOVIET LIVESTOCK HERDS DROP

The most recent statistical report from the USSR indicates that the Soviets are having some difficulty maintaining their livestock herds. The surprising thing has been that most herds have remained constant or actually increased, during this last six year period, despite the poor harvest. Now however, it looks like the poor harvests are having an impact. As the figures below indicate, cattle herds increased by a fraction, that is .4%, and the chicken population increased by not quite 1%. All other herds decreased. Particularly striking was the drop in the hog stock. The number of hogs fell by 3%. The goat and sheep herd fell by slightly more than 3% and even the number of cows dropped slightly.

The drop in herds suggests that grain is in shorter supply, particularly feed grains, than it has been for some time, and that the Soviets apparently did not buy enough. One of the evident things about the earlier years was that they continued to buy enough grain to support their livestock herds. This time it seems they've pushed too far.

LIVESTOCK HERDS
(Millions)

	5/1/84	5/1/85
Cattle	97.9	98.3
Cows	29.8	29.6
Hogs	59.2	57.4
Sheep and goats	148.7	143.6
Chickens	781	787.8

U.S. TRADE WITH THE SOVIET UNION

U.S. exports to the Soviet Union during the first quarter of 1985 increased by about a quarter of billion dollars. An increase in the sale of almost 400 million dollars more corn provided not only for the increase but for the fact that exports of other products, particularly machinery, decreased. In contrast, imports dropped by about 25 million dollars, despite the fact that there was an increase in ammonia shipments. The main reason for the drop was due to reduction in the importation of petroleum.

CURRENCY FIGURES

Rubles Purchased Per 100	May 1984	April 1985	May 1985
Austrian shilling	4.15	3.98	3.98
U.K. pound	111.60	107.53	107.94
W. German mark	29.14	28.00	27.97
U.S. dollar	80.45	87.75	85.65
French franc	9.45	9.18	9.18
Japanese yen	.348	.341	.343
Italian lira	.0472	.0438	.0438
Swiss franc	35.26	33.33	33.20

According to the report released by Gosplan for May 1985, all currencies decreased over the last year with the exception of the U.S. dollar. Over the last month, the Austrian shilling, French franc, Italian lira stayed the same, while the U.K. pound and Swiss franc fluctuated only slightly (increasing and decreasing, respectively). The Japanese yen increased over the last month and W. German mark and U.S. dollar decreased.

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RRC @ 1985

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6/07/85
7:10:01

All items in U.S. domestic exports to USSR,
1982, 1983, 1984, January-March 1984, and January-March 1985

(F.a.s. value, in thousands of dollars)

ITC number	Description	1982	1983	1984	January-March-- 1984	January-March-- 1985
0	Food & live animals	1,642,161	1,194,970	2,585,083	516,957	824,986
1	Beverages & tobacco	2,979	874	1,264	0	805
2	Crude mat'l--inedible,not fuel	214,249	264,583	224,263	71,094	4,087
3	Mineral fuels, lubricants, etc	90,013	22,571	30,045	10,194	13,207
4	Oils & fats--animal & veg prod	40,565	21,507	38,872	20,983	34,984
5	Chemicals	287,846	239,398	208,219	37,532	58,998
6	Man'd goods by chief material	25,961	29,755	16,573	4,012	2,724
7	Machinery & transport equip	225,458	149,452	110,221	36,067	29,390
8	Miscellaneous man'd articles	59,129	76,422	65,908	15,714	18,014
9	Commodities & transactions nec	614	2,419	2,205	478	591
	Total	2,588,975	2,001,951	3,282,652	713,030	987,787
	Total, all items exported to USSR	2,588,975	2,001,951	3,282,652	713,030	987,787

Source: Compiled from official statistics of the U.S. Department of Commerce.

6/03/85
7:52:40

All items in U.S. imports for consumption from USSR,
1982, 1983, 1984, January-March 1984, and January-March 1985

(C.i.f. value, in thousands of dollars)

ITC number	Description	1982	1983	1984	January-March-- 1984	January-March-- 1985
0	Food & live animals	5,413	18,054	17,415	6,271	2,704
1	Beverages & tobacco	11,000	12,923	9,997	1,660	2,353
2	Crude mat'l--inedible,not fuel	10,049	12,075	19,353	7,352	3,261
3	Mineral fuels, lubricants, etc	10,946	59,158	202,563	32,931	18,650
4	Oils & fats--animal & veg prod	6	1	12	0	21
5	Chemicals	131,374	161,121	235,014	67,448	71,707
6	Man'd goods by chief material	63,349	91,304	107,794	30,276	23,271
7	Machinery & transport equip	1,624	3,750	2,874	779	946
8	Miscellaneous man'd articles	9,156	6,381	4,566	2,345	855
9	Commodities & transactions nec	5,277	2,341	2,494	422	866
	Total	248,195	367,107	602,081	149,483	124,635
	Total, all items imported from USSR	248,195	367,107	602,081	149,483	124,635

Source: Compiled from official statistics of the U.S. Department of Commerce.

6/03/85
6:16:30

Leading items in U.S. domestic exports to USSR in January-March 1985, 1982, 1983, 1984, January-March 1984, and January-March 1985

(F.a.s. value, in thousands of dollars)

Schedule B number	Description	1982	1983	1984	January-March-- 1984	January-March-- 1985
1003465	Yellow corn, not donated for r--	818,768	390,915	1,389,842	281,002	665,951
1006540	Wheat, unmilled, not donated f--	802,182	800,584	1,170,572	235,788	139,694
2807025	Phosphoric acid, 65% or more a--	268,485	214,810	186,460	32,781	55,159
1265220	Soybean oil, crude, including---	0	0	0	0	27,175
0804300	Almonds, shelled, not blanched--	10,043	2,341	24,501	0	19,341
3905510	Pressure sensitive tape with a--	36,095	58,650	54,920	13,009	14,848
2715120	Petroleum coke, calcined--------	34,269	3,125	8,178	4,950	5,884
1575620	Tallow, edible-----------------	0	0	0	0	5,809
8423840	Parts, nspf, of tractors, exce--	17,195	14,628	11,887	2,615	5,519
8476100	Electrodes, carbon or graphite--	1,569	1,197	1,609	683	3,639
1354580	Lubricating oils, nspf, except--	13,024	10	1,630	0	3,070
8403040	Parts, nspf, of steam turbines--	1,946	1,943	2,742	1,896	2,775
1356781	Mixtures of hydrocarbons, nspf--	3,885	5,501	2,529	0	2,730
4061561	Synthetic rubber, not containi--	0	8,191	14,357	3,134	2,562
8445430	Parts, nspf, for metal-cutting--	1,892	277	730	102	2,074
1575640	Tallow, inedible---------------	17,887	21,505	29,745	11,856	2,000
8417065	Industrial machinery for treat--	0	0	298	0	1,950
1354520	Automotive, diesel and marine---	10,786	5	1,255	0	1,523
4061521	Polychloroprene (neoprene) rub--	3,790	4,027	2,799	0	1,488
8423820	Parts, nspf, of tracklaying tr--	25,651	16,220	12,863	2,599	1,463
8440513	Drilling and boring machines,---	1,512	1,757	3,656	2,252	1,148
9096320	X-ray apparatus, exc x-ray tub--	10	51	0	0	1,045
8440586	Parts, nspf, of boring and dri--	20,003	12,978	9,166	7,435	949
8440230	Integral tractor shovel loader--	15,753	0	0	0	923
8695020	Percussion rock drill bits------	0	0	529	0	921
8421235	Machines for filling bottles &--	1,033	2,801	1,383	0	889
2406500	Cigarettes---------------------	0	382	318	0	805
8401410	Weaving machines, power driven--	0	0	0	0	777
8419880	Parts, nspf, of filtering and---	1,777	1,920	2,578	1,081	771
3744160	Industrial varnishes-----------	2,220	3,362	2,925	659	751
	Total----------------------	2,109,773	1,567,179	2,937,413	601,843	973,632
	Total, all items exported to USSR----------	2,588,975	2,001,951	3,282,652	713,030	987,787

Source: Compiled from official statistics of the U.S. Department of Commerce.

/03/85
:41:53

Leading items in U.S. imports for consumption from USSR in January-March 1985, 1982, 1983, 1984, January-March 1984, and January-March 1985

(C.i.f. value, in thousands of dollars)

SUSA umber	Description	1982	1983	1984	January-March--	
					1984	1985
06540	Anhydrous ammonia	100,719	96,661	156,240	38,384	43,218
03000	Urea, nspf	11,504	43,701	52,408	24,470	22,666
50260	Palladium, palladium	25,028	42,067	59,598	18,510	12,703
51015	Light fuel oils a tcr 25deg	0	51,474	177,684	32,931	11,721
52524	Leaded gasoline	0	0	0	0	6,546
50220	Platinum sponge platinum	3,971	3,006	2,960	423	2,588
17415	Ortho-xylene	0	0	4,015	984	2,454
43000	Crabs fresh chilled frozen	2,148	12,921	15,478	5,697	2,260
17420	Para-xylene	0	0	1,151	0	2,149
50270	Rhodium, rhodium content	3,482	2,111	3,683	184	1,721
93800	Vodka in containers not over	7,948	10,838	7,736	1,332	1,665
41045	Sable furskins, whole, raw	7,196	7,861	9,848	3,610	1,604
50750	Palladium bars plates etc	1,694	4,357	15,186	5,89:	1,236
81000	Aluminum waste a scrap	0	0	4,892	475	1,154
52020	Hardboard, not face finished	2,590	2,150	2,576	871	1,066
80650	Unwrought alloys of aluminum	219	143	7,687	0	1,035
80200	Unwrght aluminum nspf, other	0	27	0	0	789
93700	Vodka in containers not over	2,364	1,375	1,871	254	588
23406	Tractors, wheel ex gardn new	8	870	819	218	525
01440	Plywood, birch face not face	1,795	2,990	3,298	167	514
52010	Hardboard w/pressed surface	136	202	0	0	466
11000	Rubber waste and scrap	0	280	693	178	398
50535	Heavy fuel oils un 25 deg	32	0	9,494	0	380
57000	Acetic acid	0	0	2,219	0	323
33000	Sturgeon roe frsh, chilled,	1,042	807	929	330	302
50300	Paintings, pastels, drawings	117	3,107	2,021	1,906	271
51000	Hardboard, n/face-finished	679	1,237	2,316	242	269
30030	Rare-earth oxides except	1,214	1,306	805	222	265
99500	Estimate: items under $251 &	75	267	429	89	257
16400	Pseudocumene	0	0	1,304	0	232
	Total	173,961	289,757	547,341	137,368	121,368
	Total, all items imported from USSR	248,195	367,107	602,081	149,483	124,635

Source: Compiled from official statistics of the U.S. Department of Commerce.